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El Salvador's Insurgents: Resurrecting an Urban Political Strategy [redacted]

An Intelligence Assessment

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El Salvador's Insurgents: Resurrecting an Urban Political Strategy [redacted]

An Intelligence Assessment

This paper was prepared by [redacted] Office of African and Latin American Analysis, with a contribution from [redacted] ALA, and a biographic contribution from [redacted] It was coordinated with the Directorate of Operations [redacted]

Comments and queries are welcome and may be directed to the Chief [redacted]

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El Salvador's Insurgents: Resurrecting an Urban Political Strategy

Key Judgments

Information available as of 2 September 1986 was used in this report.

As their military situation has worsened over the last two years, the Salvadoran insurgents have relied increasingly on a multifaceted political strategy to undermine the democratic government of El Salvador. The dynamics of the war and the domestic political situation make it highly likely, in our judgment, that the rebels will focus even greater efforts on political agitation over the next 18 months. the guerrillas hope to take advantage of economic hard times and war weariness to foment antigovernment actions. The basic elements of their strategy include re-creating the popular front groups of the late 1970s, gaining control of the labor movement, and strengthening leftist-oriented student groups.

Even though their initial gains have fallen short of their objectives, the rebels have built a substantial foundation in the labor sector and have made strides in converting the university into a base for logistic operations. We expect that the intensified guerrilla effort in these and other civilian sectors will make the Salvadoran Government press Washington harder for economic aid to dilute the appeal of the rebels.

We judge that the insurgents' best prospects for stirring agitation are on the labor front. Guerrilla supporters control some 50,000 workers constituting one-fourth of organized labor. Their activities have contributed to a dramatic increase in strike activity since 1984 with over 100 strikes and work stoppages in 1985 and more than 50 in the first four months of this year. Steps taken last year to tighten rebel control over Marxist unions and to co-opt democratic unions into a broad labor front may enhance the left's capacity to stimulate further labor troubles. Inadequate funding, differences among leftist labor factions, and the defection of some democratic unions, however, are hampering the guerrillas' efforts to strengthen their following in the labor movement.

The insurgents' ability to make further inroads into organized labor will depend perhaps most significantly on the state of the economy. In our judgment, they are likely to shift more funds and manpower into strengthening their labor ties as their battlefield prospects worsen and the economy stagnates. Continued leadership disputes within democratic labor unions would make these unions vulnerable to subversion by aggressive and better organized leftist elements.

If the left is able to provoke widespread labor disturbances, this almost certainly would provoke increased student opposition to the government at the National University, located in San Salvador. The rebels have made a concerted effort to turn the university—closed for five years—into the armed camp and base of operations it was in 1980, but so far have attracted only a few hundred students who actively support their cause. As on the labor front, factionalism among students has undermined the insurgents' ability to strengthen their support on campus. Nonetheless, students continue to make university facilities available to the guerrillas, who are persevering in their campus recruitment efforts.

Confrontations between militant student and labor groups and the government's security forces clearly would provide grist for insurgent propaganda alleging government repression and human rights abuses. Insurgent-backed human rights groups—even though their credibility has been eroded by association with the guerrillas and by the improvement since 1983 in the government's human rights record—would try to exploit renewed urban violence to regain financial and political support from sympathetic Western nationals and organizations. financial assistance to the insurgents from Western political, labor, and religious groups has virtually evaporated since 1984.

President Duarte's government so far has been able to avert a serious labor crisis by granting pay raises and developing closer ties to democratic unions. However, its ability to satisfy workers' grievances will be increasingly limited by tight budgets. As a result, labor problems seem likely to become less manageable, and the security forces—which consistently have avoided confrontations—may be called on more often to restore order.

El Salvador's weak economy—with persistently high unemployment and inflation—will remain the government's chief vulnerability. Duarte fears alienating his main constituents—workers and peasants—and thus is unlikely to take the austerity measures needed to stabilize the economy. In addition, Duarte does not want to give the insurgents a rallying point on economic issues that they might be able to translate into broader political support for peace talks and power sharing. Instead, the Salvadoran Government will continue to rely on ad hoc measures and on US economic and military assistance to support the economy sufficiently.

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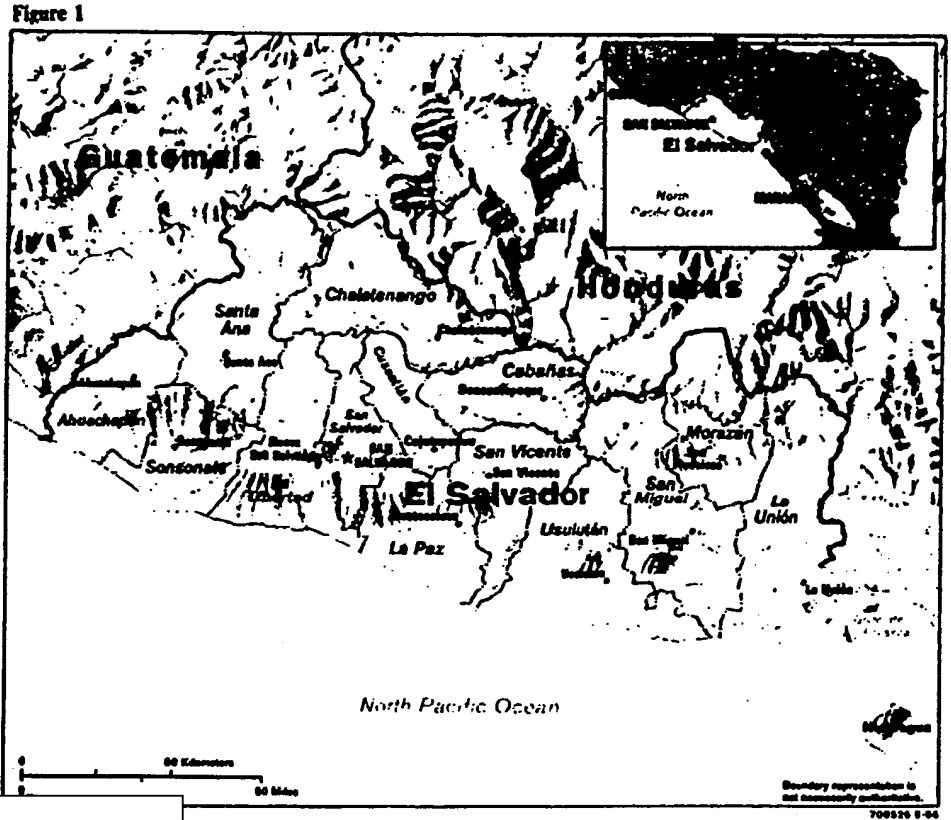
Figure 1



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El Salvador's Insurgents: Resurrecting an Urban Political Strategy

Introduction

Military setbacks in the last two years have put the Salvadoran guerrillas on the defensive and forced them to place their emphasis on political strategies aimed at undermining the government of President Jose Napoleon Duarte. insurgent leaders, aided by a more tolerant political environment and a stagnant economy, plan to oppose the Duarte administration by reviving the defunct "popular" organizations of the late 1970s, which used often violent strikes and mass demonstrations to create widespread turmoil. The guerrillas, having made considerable progress in the labor movement, are now trying to duplicate that success with student and human rights front groups.

This paper examines the insurgents' political strategy and its prospects for gains in the next 18 months. It focuses on the efforts of the insurgent alliance—which includes Marxist guerrilla hardliners and socialist politicians—to weaken Duarte's support by provoking political and labor agitation in El Salvador, exploiting any dialogue with the government, and regaining foreign backing. The paper also evaluates the government's tactics in meeting the insurgents' political challenge and the implications of these developments for US policy.

Reviving a Political Strategy

The Salvadoran insurgents have long recognized the importance of the political dimension of their struggle to seize power. The historical record shows that in the late 1970s the rebels were able to make rapid political gains in a society increasingly polarized by gross inequity in the distribution of national wealth, rising unemployment and cost of living, and military repression. By 1979 they had created or co-opted mass umbrella organizations composed of nearly 100,000 teachers, students, workers, peasants, clergy, and radicalized politicians.

These groups came to pose a serious threat to the government as they launched demonstrations and strikes calling for social and political reforms. The left showed its strength in January 1980 by turning out some 100,000 supporters in a mass demonstration that ended in chaos as unidentified snipers opened fire on the crowd. Moderate politicians of the democratic left—considering the government to be near collapse and wanting to be well positioned for the succession—joined the mass front groups in April 1980 to form the Revolutionary Democratic Front (FDR). This broader representation gave the guerrillas greater prestige and attracted increased foreign backing.

By January 1981, however, the leaders of the Farabundo Marti National Liberation Front (FMLN)—created in November 1980 as a loose alliance of the five armed rebel factions—for the most part abandoned the political struggle. Believing the Salvadoran Government was in its death throes, the insurgents put their energies into an all-out military effort to take power. The insurgents' January 1981 "final offensive" failed, however, and by 1984 the Salvadoran Army—better led, more mobile, and increasingly aggressive—gained the military advantage.[1]

Although they have not been decisively beaten, the guerrillas, in our view, no longer have the capability to launch and sustain major offensives. To compensate for their diminished military capabilities and to prolong their survival, the rebels have turned to terrorism, economic sabotage, and mine warfare to

[1] For a more detailed look at the evolution of the guerrilla war, see DI Intelligence Assessments ALA 86-10006 February 1986, *El Salvador: A Net Assessment of the War;* ALA 84-10104C October 1984, *El Salvador: Guerrilla Capabilities and Prospects Over the Next Two Years;* and ALA 84-10060 June 1984, *The Salvadoran Military: A Mixed Performance.*

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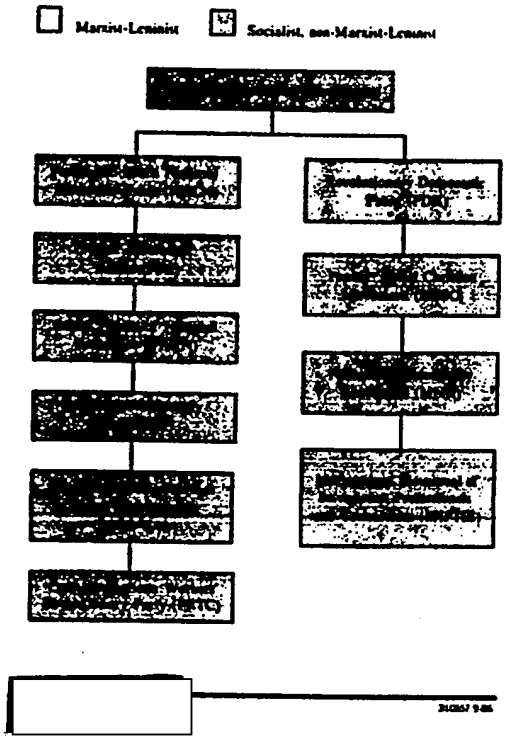
Figure 2
Organization of Insurgent Alliance



inflict maximum damage on the armed forces and economic infrastructure with minimum risk to their own forces.

The rebels' poor prospects in the field have forced them to renew their emphasis on political strategy, especially by provoking labor and student unrest. A Communist guerrilla commander Shafik Handal—a key insurgent leader—believed there was no chance for a near-term military victory, so the FMLN should concentrate on promoting popular opposition to the government. Handal argued that the alliance would have greater success exploiting dissatisfaction with Duarte's performance than trying to win popular support for the largely discredited guerrillas. The agreement of other insurgent leaders with this view is apparent as rebel propaganda increasingly focuses on the government's failure to alleviate unemployment and inflation or to make progress on land reform and other economic and social issues of concern to the lower classes.

Rebel plans to "reactivate the masses" as a means to undermine the Duarte government are key to the new strategy. rebel leaders believe that the evolving political system has created a favorable environment for recruiting supporters and organizing front groups, strikes, and demonstrations. the rebels plan eventually to provide arms and clandestine training to agitators in order to provoke clashes with government forces. increasing violence will fuel the insurgency either by alienating Duarte's primary constituencies in the lower middle class and the urban poor, or by provoking a coup and military crackdown.

Another important objective of the guerrillas' revised strategy is to undermine foreign—especially US—support for Duarte by depicting his government as belligerent, nonreformist, and corrupt. FMLN guerrilla commanders view US military and economic aid to El Salvador as the major obstacle to their winning the war. the guerrillas believe prolonged antigovernment demonstrations and violent confrontations with Salvadoran security forces will weaken US public and Congressional support for continued aid to San Salvador

Agitation: The Insurgents' Best Hope

Labor. The guerrillas hope to take quick advantage of El Salvador's economic problems by mobilizing the labor movement against Duarte. The labor front historically has been a vital source of support for the

left; in 1980, for example, the Marxists controlled some 40 percent of the organized work force. During the 1980s, however, rightwing and government repression followed by defections to democratic unions sharply reduced insurgent influence. By 1985, El Salvador's struggling economy—with a rising cost of living and over half the working population unemployed or underemployed—provided fertile ground for leftist labor organizers.

The guerrillas began rebuilding their labor strength by consolidating existing Marxist unions. In early 1985, younger labor militants were seizing control from longtime Marxist union leaders whom they blamed for the left's loss of influence in the labor sector. Three FMLN factions subsequently united most of their affiliated urban trade unions in the Worker's Solidarity Committee (CST).

the CST leadership improved discipline by centralizing control in a clandestine executive body that receives its orders directly from rebel leaders.

This organizational effort produced a reasonably sound foundation—about 25 percent of an organized labor force of some 200,000

for potential expansion. The left demonstrated growing strength when more than 10,000 people showed up for a CST march on May Day 1985. This contrasted with the previous year's turnout of a few hundred supporters. The FMLN then set out to absorb independent non-Marxist unions into a broad labor front group. Disarray and conflicting agendas within the democratic labor sector made it vulnerable to such penetration and manipulation, and the Marxists were successful in co-opting some democratic labor leaders and unions. Leftist militants in a few key labor unions helped provoke additional factional splits within democratic labor federations, which ultimately led to the collapse of a large democratic labor umbrella organization in 1985. In February 1986, the left organized a new labor front—the National Unity of Salvadoran Workers (UNTS)—that included 30,000 members of dissident factions of democratic unions and peasant associations.

Marxist sponsors of the UNTS believe such labor fronts provide their own labor movement with increased legitimacy and support. UNTS leaders are sending representatives from the non-Marxist unions to lobby international labor organizations, human rights groups, the Organization of American States, the United Nations, and several Latin American countries on issues of economic and political importance to the insurgent alliance. UNTS officials recently told a Mexican audience that they represented a democratic labor front of some 100,000 members opposed to Duarte's economic policies.

The dramatic upsurge in strike activity since 1984—when wage freezes and other labor restrictions were lifted by the government—underscores the insurgents' success in revitalizing their labor front. In 1985, the US Embassy counted over 100 strikes and work stoppages, and more than 50 were recorded in the first four months of this year. Most of these labor actions were fomented or abetted by Marxist unions, according to the US Embassy.

By mid-1986, however, the guerrillas were having difficulties in manipulating their democratic allies. although some democratic unions originally were duped by the democratic appearance of the UNTS, media and government reporting on its ties to the insurgents was gradually weakening its domestic credibility. many democratic unions in the UNTS did not participate in leftist labor actions last spring (several later withdrew from the organization) in order to protect their independence and improve their chances of acquiring funding from international labor organizations.

Selected Marxist Labor Organizations

***National Union Federation of Salvadoran Workers (FENASTRAS)** split from a progovernment union following the fraudulent presidential election of 1972 and was quickly radicalized. After violent strikes and demonstrations in 1979-80, many members were killed, jailed, or recruited by the sponsor guerrilla faction, FARN, thus weakening the group's strength among textile, coffee, and public utility workers. Nevertheless, the union remains one of the most influential forces in the Marxist labor movement. The US Embassy estimates it has about 14,000 members.*

***Revolutionary Trade Union Front (FSR)** was created in 1979 as the labor arm of the FPL. Its militant rank and file work mostly in textile and coffee unions, but its cadre includes rural combatants and urban terrorists. US Embassy sources reported last year that FPL sponsors were trying to rejuvenate the front's activities after splits and after the theft of the treasury by a front official. The US Embassy believes FSR membership may approach 5,000.*

***United Federation of Salvadoran Trade Unions (FUSS)** is one of the oldest unions and is the traditional labor arm of the Communist Party; it is also sponsored by the Soviet-supported World Federation of Trade Unions. FARN and other guerrilla groups have penetrated FUSS and contributed to factionalism. Over the years, FUSS has lost members through defections and arrests. According to the US Embassy, its membership (less than 4,000) is composed of metalworkers, electricians, and fishermen.*

***Salvadoran National Union Federation of Workers in Food, Clothing, Textile, and Related Industries (FESTIAVTSCES)** is a traditional Communist Party labor front that generally allies with independent unions and FUSS. Although vocal, its orthodox pro-Moscow orientation generally has made it less influential than more radical worker groups. US Embassy reports indicate that it represents perhaps 2,000 members.*

***National Association of Salvadoran Educators (ANDES)** is a militant public school teachers union founded in the mid-1960s. Several ANDES leaders became top cadre of the rebel alliance, and many rank and file were arrested or murdered, or fled to become combatants with the union's sponsor guerrilla faction, FPL. US Embassy estimates place present membership at 3,000, down from a strength of possibly 15,000 in 1979.*

[redacted]

The rebels' ability to sustain antigovernment labor agitation also has been limited by their own internal problems, including factional and personal disputes and inadequate funding [redacted] the two most powerful rebel factions involved in labor activity fiercely compete for influence and often do not coordinate strike plans. Funding shortfalls, [redacted] have forced the cancellation of several planned events and compelled labor leaders to go abroad to raise money.

[redacted]

Students. The guerrillas are also working hard to revive support for their cause at the National University of El Salvador (UNES), which had been a major arena of antigovernment opposition until the university was closed in 1980. Since the university reopened in March 1985, the insurgents have attracted some 500 active student supporters and several hundred sympathizers out of a student body of about 28,000. The campus has been useful to the leftist opposition, allowing leftist unions and other rebel front groups to use its facilities for meetings and press conferences. [redacted] several student organizations are once again controlled by the rebels and are trying to recruit supporters with the aid of some

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University and Human Rights Front Groups

University Organizations

University Professors' Association (ADUES). Formed in 1985; more militant than older AEU; involved in organizing solidarity committees and raising funds in the United States; led by FPL member Hector Jangura Linares.

Association of University Educators (AEU) at the National University of El Salvador (UNES). Also known as the Salvadoran University Educators (EDUS); main body of leftist professors influenced by several rebel factions; participates in and facilitates student protest activities; leaders include Miguel Angel Parada, Manuel Canas, Ana Gloria de Montoya, and Jesus Marquez Ochoa.

General Association of Salvadoran University Students (AGEUS) at UNES. Long dominated by guerrillas; composed of several student groups run by different insurgent factions, although FPL appears dominant; leaders not known but probably only a few dozen committed members; works closely with leftist labor unions.

Central Council of University Workers (CCTU) at UNES. New, aggressive group; few members; led by Jorge Salvador Ubau, a member of the FPL.

Revolutionary University Movement (MUR). Controlled by breakaway FPL group; competes for control of UNES with AGEUS; probably fewer than 50 armed activists on campus; leaders include Sabino Linares.

Association of Professionals and Technicians (Proteje/UES). Formed in April 1986; also attracting university faculty members who have spurned more vocal ADUES.

Union of University Workers (SETUS). Small membership; less radical rival to CCTU; led by Mauricio Figueredo.

Human Rights Groups

Nongovernmental Human Rights Commission of El Salvador (CDHES). Established about 1978; operated primarily by FARN faction; claims to document and investigate civilian massacres and bombings; prepares written testimony, photo books; nominated for Nobel Peace Prize in 1981, 1982, and 1984; several leaders and members defected or were arrested in mid-1986.

Committee of Relatives in Favor of Liberty for the Political Prisoners and the Disappeared in El Salvador (CODEFAM). Has held hunger strikes and commemorative masses for victims of death squads and government attacks.

Committee of Christian Mothers (Comite de Madres). FARN front founded in 1977; claims membership of 500 family members of individuals who are missing, imprisoned, or have been victims of political assassinations; belongs to Latin American Association of Relatives of Prisoners and the Missing (FEDEFAM); produces handouts, paid ads and other publications; holds periodic demonstrations calling for end to US military aid, freedom for all "political" prisoners, and dialogue with FMLN; shares offices with CDHES and may share personnel and funding with CDHES and CODEFAM; received JFK Human Rights Award in 1984; hurt by defection in May 1986 of its Director, Dora Angelica Campos. Second "mothers" group—COMAFAC—formed in 1985.

Committee of Political Prisoners (COPPES). Includes most insurgents held in two national prisons; attempts to organize protests, hunger strikes; gives press interviews on prison conditions; led by Roberto Aviles.

Christian Committee for the Displaced in El Salvador (CRIPDES). Focuses on refugee issues, may be controlled by the FPL; channels supplies to guerrillas through archbishop's office.

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school administrators and teachers—who have boldly told US Embassy officials that the university's legitimate role is to prepare students to be revolutionaries. Student front groups have participated in Marxist labor demonstrations and have sponsored antigovernment conferences that have attracted hundreds of Salvadoran and foreign participants. Some groups have ties to US organizations that have served FMLN propaganda purposes by repeating guerrilla claims of government repression and rightwing terrorism on campus.

Unless the government again shuts down the university—an action it is reluctant to take because of bad publicity—the rebels plan to use the campus as a base of operations for activities in San Salvador. One insurgent group responsible for several assassinations in the capital last year regularly used the university as a meetingplace. arms have been smuggled into the university since last fall for distribution among student terrorist cells. in April the rebels were using campus buildings to monitor the US Embassy and a Salvadoran military installation in preparation for possible attacks.

FMLN attempts to control the university, however, have been hurt by a student body made more cautious by the five-year closure and by factionalism among the activists. most students are not as politicized as they were five years ago and are fearful that leftist involvement will again jeopardize their education. In addition, Marxist student front groups competing for recruits and leadership of university organizations have often fought and even issued death threats against one another.

Propaganda

The propaganda component of the rebels' political strategy focuses on efforts to denigrate the Duarte government's record—mainly on human rights—and to enhance the insurgents' own image. This propaganda employs a wide variety of human-rights-related themes aimed at both foreign and domestic audiences.

Human Rights Front Groups. The FMLN has used several Salvadoran human rights organizations to echo claims by leftist student and labor groups of government mistreatment and to otherwise criticize the human rights performance of the Duarte administration. Although the rebel effort in this area does not appear to have grown substantially in the last few years, its focus has shifted from condemnation of death squad activity to criticism of air attacks, population relocation, and other effective government tactics.

approximately six human rights organizations aid the insurgents by coordinating demonstrations and marches—increasingly in conjunction with FMLN student and labor fronts—and producing publications condemning the government for human rights abuses in order to discourage domestic and foreign support for Duarte. most of the abuses reported by these organizations are fabricated. many of the civilians whom organization reported killed by the Army actually were guerrilla combatants, and that many of those reported disappeared were in fact released by the government after questioning.

Some human rights front groups also have provided personnel and materiel assistance to the guerrillas. Several human rights activists arrested in May admitted that their organizations used fraudulent methods to secure international funding, of which 95 percent goes to the rebels for the purchase of munitions and other supplies. some human rights activists have fought with the insurgents and have participated in marches intended to provoke violence.

The credibility of insurgent-backed human rights groups has been undermined at home and abroad by the government's steadily improving human rights record since 1983. US embassies abroad indicate that many Western and Latin American governments

Members of the Committee of Christian Mothers—a rebel front group—conducting a human rights march demanding the release of political prisoners and the prosecution of death squad members.

applaud the progress Duarte has made in this area. Within El Salvador, the Catholic Church has taken the lead in praising the government's performance, according to press reports. On the other hand, leftist-sponsored human rights marches and meetings in San Salvador have drawn hundreds of sympathizers from Europe, the United States, and Latin America in the last two years. Several leftist Salvadoran human rights activists touring Europe in 1985 persuaded a group of Dutch, German, and Greek parliamentarians to return with them to El Salvador, where they met with and harshly criticized Duarte.

International Image Making and Fundraising. Guerrilla representatives abroad publicize the charges made by their various front groups in an effort to isolate the Salvadoran Government and to obtain political and financial support for the insurgency. Moderate FDR members such as Guillermo Ungo and Ruben Zamora—former leaders of democratic opposition parties in El Salvador—occasionally meet with foreign leaders and continue to be the most credible spokesmen for the insurgency. Guerrilla spokesmen also maintain ties to sympathetic unions, churchmen, students, and politicians in Western Europe, Canada, Latin America, and the United States, who, in turn, conduct numerous activities—including fundraising—in support of the insurgency.

The insurgents' image abroad, nevertheless, has been seriously undermined by their turn to terrorism and by Duarte's success in strengthening El Salvador's democracy. the kidnaping of President Duarte's daughter in October 1985 alienated formerly supportive officials in many Western and Latin American governments, political parties, labor organizations, and church groups, and vitiated support within the Socialist International and the United Nations. Ungo has noted that his 1985 visits to several countries received less publicity than in the past, and other FDR leaders had cooler receptions at international gatherings. The decline in political support has been reflected in the cessation of nearly all financial assistance from Western sources.

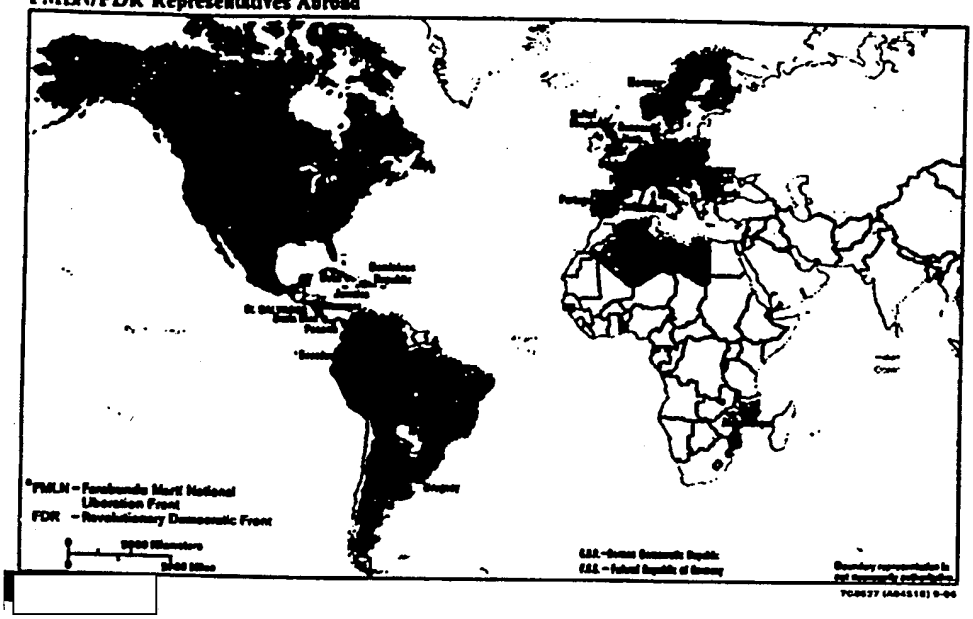
Any attempt to reverse the downward trend in foreign support is likely to be hindered by tactical differences between the FDR and the FMLN. some FDR leaders are opposed to the FMLN's terrorist tactics used since the June 1985 attack on the US Marines and are threatening to withdraw from the alliance—a loss that would almost certainly undercut FMLN efforts to regain support. The dispute already has limited public displays of unity; for example, last November FDR leaders refused to sign an FMLN dialogue proposal because they believed it condoned terrorist operations. Some low-ranking FDR members have since returned to El Salvador, and others probably have quietly dropped out of the alliance.

Focus on Dialogue: Enhancing Credibility

Negotiation with the government is another important element of the insurgents' political strategy to regain domestic and international credibility. the guerrillas believe that dialogue enhances their legitimacy by elevating them to a position of equality with the government. Since the first round of peace talks in October 1984, rebel propaganda has persistently claimed the existence in El Salvador of a duality of power that cannot be

Propaganda materials produced and distributed worldwide by the FDR and FMLN. (C)

Figure 3
FMLN/FDR* Representatives Abroad



ignored by the government. The guerrillas also support talks to relieve military pressure and to sow dissension between Duarte and the military leadership. For these reasons, the insurgent alliance has pushed for negotiations and was quick to respond to Duarte's offer in June to renew formal talks.

While agreeing to new talks, however, FMLN hardliners and moderate FDR political leaders are divided on negotiating strategy. The FMLN opposes concessions to the government and holds to the demands that led to the collapse of the 1984 talks—including power sharing and the reorganization of the armed forces as preconditions for new elections. FDR leaders, on the other hand, support more reasonable proposals in order to reestablish their credibility with the government, with church officials, and with foreign backers as a moderating force in the alliance.

They also probably view a renewed dialogue as a means to enhance their value to rebel military leaders by appearing as essential mediators in negotiations with the government. Recent rebel pronouncements rejecting the legitimacy of the constitution and the Duarte administration and calling for a restructuring of society indicate to us that the FMLN's more radical demands will dominate the insurgents' negotiating position.

The rebels regard leftist-controlled labor, student, and human rights front groups as essential to building support for their negotiating position. plans by the FMLN to mobilize these groups in peace marches and demonstrations in favor of insurgent demands and to boost public expectations for a negotiated settlement.

The Government Response

The government response to the insurgents' political strategy has been principally ad hoc and pragmatic. [redacted] decisions on how to deal with such issues as leftist labor agitation and dialogue with the guerrillas often are made quickly and without consultation and debate within the government. [redacted] Duarte's decision to publicly propose new peace talks was made the night before his speech to the National Assembly and caught his ministers—and the military leadership—by surprise. Even without a formalized political strategy for dealing with insurgent political challenges, however, the government's measured responses have been generally effective. [redacted]

Dealing With Labor

The government has yet to develop a coherent labor relations strategy. [redacted] Duarte's handling of union unrest has been reactive and not preemptive, and that substantive coordination between the various ministries and agencies responsible for labor issues has been seriously deficient. [redacted]

Despite its inability to preempt strikes by systematically dealing with basic labor grievances, the government has managed to use financial or punitive leverage to limit the duration of the work stoppages. In past years, the government often used wage hikes to end strikes, but tight budgets are increasingly limiting this option. [redacted] in the past year the government has been able to end several strikes without concessions by firing or threatening to fire striking workers. Ironically, Duarte probably has been aided in this by poor economic conditions because many workers realize that, as long as over half the working population is without jobs or underemployed, the government and private industry have an ample pool of workers. [redacted]

Duarte's judicious use of his security forces has kept strikes and demonstrations under control so far and frustrated insurgent goals of trying to provoke violent confrontations and military reprisals. [redacted] the military and security forces have kept a low-key and limited presence at strikes

Gloomy Economic Outlook

El Salvador has been experiencing modest economic growth, due in large measure to massive US assistance, after a severe, four-year recession, but substantial problems remain. Real GDP grew approximately 1.5 percent in 1984 and 1985, but, because of a high rate of population growth (nearly 3 percent), the slide in per capita income is continuing. Inflation, fueled by wage increases and expansionary fiscal and monetary policies, accelerated from 15 percent in 1984 to 22 percent last year, and is likely to rise to 30 percent this year. Unemployment or underemployment affects slightly more than half the work force. Despite some improvement, the fiscal and balance-of-payments deficits remain large, and the country continues to face a heavy debt burden.

Private-sector confidence in President Duarte and in the business climate remains depressed, with levels of private investment less than half of their highs in the late 1970s. Although both the government and the private sector recognize the need to improve relations, mistrust will make reconciliation difficult. The government announced a short-term austerity program in January that included some beneficial measures—including a currency devaluation and passage of an export promotion law—but the US Embassy reports that the package has been poorly implemented. In addition, President Duarte remains reluctant to alienate his traditional constituents by undertaking additional necessary economic reforms. As a result, we believe that San Salvador will continue to be heavily dependent on US aid to generate even limited growth—probably no more than 1 percent—this year.

[redacted]

[redacted]

and demonstrations and rarely have arrested even known leftist labor and student leaders or armed demonstrators. Duarte has used military personnel to run vital public utilities only once in the last two years—in May 1986—and forbids military intervention at the universities.

San Salvador also has been successful recently in countering insurgent efforts to dominate labor by consulting more closely with democratic unions and laying the groundwork for an alliance with moderate labor groups. In March, Duarte's Christian Democratic Party and the American Institute for Free Labor Development sponsored the creation of the National Worker and Peasant Union (UNOC) to unite many of the largest democratic trade unions and peasant organizations with smaller independent workers groups as a counterweight to the guerrilla-backed UNTS. the UNOC—with at least twice the membership of UNTS—has helped boost Duarte's sagging popularity by extolling his government's record on political and economic reforms. Leaders of UNOC-affiliated unions also have made progress in splitting some moderate leftist unions from UNTS. Nevertheless, democratic union leaders still intend to confront the government when their members' interests are jeopardized, as several of them did in July by publicly opposing additional austerity measures.

Countering Insurgent Propaganda

The government's response to FMLN propaganda abroad has been weak because of a lack of funds and high-level neglect. the Salvadoran diplomatic service is small and poorly staffed, and, consequently, the Duarte government often is not represented at international gatherings attended by rebel leaders. the government's diplomatic efforts are focused on Duarte's periodic trips to Europe and Latin America, which have dispelled some misperceptions of El Salvador and won over new allies. Although Duarte reportedly is proud of his achievements, we doubt that he will expand and improve the diplomatic service or take other steps to strengthen public diplomacy.

Duarte has placed greater emphasis on countering FMLN propaganda in El Salvador and probably has had some success, particularly in refuting rebel charges of human rights abuses by the military. The Ministry of Culture and Communications was created in 1985 specifically to improve the government's public relations effort and has been well funded. It has used press conferences, television and newspaper ads, and mass-produced publications to promote the government's performance and publicize guerrilla atrocities.

Caution on Dialogue

Duarte's call in June for renewed talks with the guerrillas was intended primarily as a dramatic public relations gesture. Government officials see little to be gained in a dialogue with the rebels while the Salvadoran military has the initiative in the war. Duarte, however, could score gains if the talks succeeded in further dividing moderate insurgent political leaders from the hardline guerrilla commanders—which the President has told US Embassy officials is one objective of the negotiations.

Despite concern about giving the guerrillas a new propaganda forum, Salvadoran officials believe the government will come out ahead in the dialogue. San Salvador plans to present the rebels with the most reasonable proposal possible—without any major concessions—in order to make them appear responsible for any new breakdown in the talks. The government's negotiating position again centers on calling for the insurgents to lay down their arms and participate in the democratic process—a proposal the FMLN has consistently rejected.

Outlook and Implications for the United States

Even though the insurgents so far have been unable to exploit economic grievances to galvanize massive opposition to Duarte, the poor state of the economy remains a serious vulnerability for the government.

Deteriorating economic conditions have hurt Duarte's standing with workers and peasants—his traditional constituents—who are the key targets of the guerrillas' political strategy. Their strong opposition to austerity measures that would adversely affect their livelihood makes the government reluctant to implement additional necessary reforms to stabilize the economy. This hesitance is likely to result in greater inflation and unemployment that could prove a boon to leftist labor agitators. Key democratic unions—responding to a growing economic crisis—would become more willing to cooperate with the left in demanding wage and price concessions.

We believe, moreover, that labor agitation will become increasingly important to the insurgents' strategy over the next 18 months. As their battlefield prospects continue to wane, we expect to see rebel commanders who earlier rejected the political struggle putting more money and manpower into strengthening their support among labor. The likely return of some guerrillas with their sympathizers to urban areas would facilitate such an effort. Leftist labor leaders also may increasingly use intimidation and violence to cow or eliminate their democratic rivals to gain control of unions.

More frequent strikes and work stoppages by a more militant labor movement could increasingly damage Duarte's standing. Political violence would lend credibility to insurgent propaganda, badly weaken Duarte's domestic and international stature, and perhaps convince some former donors to renew funding to the FMLN.

The government almost certainly views US support for El Salvador—particularly economic aid—as crucial if it is to withstand the rebels' political strategy over the next year or so. Duarte, who resisted implementing austerity measures for 18 months and then watered down the eventual economic plan, is extremely worried about his slipping popularity. He appears unwilling to take any additional economic steps that would erode his popular base of support.

We believe, therefore, that the government will rely on any additional US aid rather than on devising a comprehensive strategy to utilize its present resources. Duarte is unlikely to find recent increases in US assistance sufficient to arrest El Salvador's economic decline and to counter insurgent labor agitation and, thus, probably will request even greater levels of aid. Further US training of security forces in countersubversion and crowd control will also be requested to facilitate the penetration of urban insurgent cells and to minimize the possibility of overreaction. In addition to continuing economic and military support, the Duarte government is likely to depend on US diplomatic efforts to help counteract propaganda generated by the rebels and their allies overseas.

Appendix A

Changing Front Groups, 1979-86

1979-81

Popular Revolutionary Bloc (BPR)-(60,000 members)-Popular Liberation Forces (FPL)
- Christian Federation of Salvadoran Peasants (FECCAS)
- Union of Rural Workers (UTC)
- National Association of Salvadoran Educators (ANDES)
- Several university and high school student, worker, and slumdweller groups

Leaders: Francisco Rebollo, Marco Portillo, Juan Angel Chacon Vasques, Julio Portillo, Julio Flores [1]

Popular Leagues of February 28 (LP-28)-(3,000 to 5,000 members)-People's Revolutionary Army (ERP)
- Worker Popular Leagues (LPO)
- Campesino Popular Leagues (LPC)
- Popular Leagues of Secondary Students (LPS)
- University Popular Leagues (LPU)

Leader: Jose Leonicio Pichinte [1]

National Democratic Union (UDN)-(3,000 to 5,000 members)-Armed Forces of Liberation (FAL)
- Centralized Federation of Salvadoran Workers (CUTS)
- Union Federation of Salvadoran Trade Unions (FUSS)
- Salvadoran National Union Federation of Workers in Food, Clothing, Textile, and Related Industries (FESTIAVTSCES)
- Campesino and student groups

Leaders: Manuel Quintanilla, Mario Aguinada Carranza,[1] Adan Chicas Mendez,[2] Manuel de Jesus Franco Ramirez

United Popular Action Front (FAPU)-(at least 20,000 members)-Armed Forces of National Resistance (FARN)
- Revolutionary Campesino Movement (MRC)
- Revolutionary Teachers Organization (OMR)
- Secondary Students of Revolutionary Action (ARDES)
- National Union Federation of Salvadoran Workers (FENASTRAS)

Leaders: Saul Villalta,[2] Jose Alberto Ramos, Hector Bernabe Recinos Aguirre

Popular Liberation Movement (MLP)-(1,000 members)-Revolutionary Party of Central American Workers (PRTC)
- Field Brigade Workers (BTC)
- Salvadoran Womens' Association (ASMUSA)
- Pioneers of Popular Liberation (PLP)
- Workers' Base Committee (CBO)

Leaders: Fabio Castillo, Humberto Mendoza

[1] Currently fighting with FMLN guerrillas in rural El Salvador.

1984

Unitary Movement of Unions and Guilds of El Salvador (MUSYGES)-24,000 members belong to Marxist unions
- FENASTRAS
- FUSS
- FESTIAVTSCES
- ANDES
- Revolutionary Trade Union Front (FSR)

Leaders: Maria Lopez Castro, Jorge Mendoza Santos, Cristina Marin, Jose Jeremias Pereira Amaya, Gerardo Anaya, Faustino Murcia Arifa, Fidel Alberto Palacios, Mario Cabrera, Bernabe Recinos, Ernesto Flores, Carlos Ernesto Vasquez Someta

BPR, FAPU, MLP, UDN, and LP-28 exist in name only.

1986

National Unity of Salvadoran Workers (UNTS)

1st of May Committee (30,000 leftist members)
- Workers' Solidarity Committee (CST)
- Coordinating Committee of State and Municipal Workers (CCTEM)
- Union of Agrarian Workers (SITA)
- National Association of Campesinos (ANC)
- Syndicated Federation of Salvadoran Workers (FESTRAS)
- General Confederation of Unions (CGS)
- General Association of Salvadoran University Students (AGEUS)

Unions and federations under these coordinating bodies include FUSS, ANDES, FESTIAVTSCES, FENASTRAS, FSR

Leaders: Victor Rivera, Saul Sanchez, Mario Palencia, Julio Portillo, Guillermo Rojas, German Dario Garcia, Edito Genovese

Human Rights Related (several hundred members)
- Committee of Political Prisoners (COPPES)
- Christian Committee for the Displaced in El Salvador (CRIPDES)
- Committee of Relatives in Favor of Liberty for the Political Prisoners and the Disappeared in El Salvador (CODEFAM)
- Nongovernmental Human Rights Commission of El Salvador (CDHES)
- Committee of Christian Mothers and Relatives of Political Prisoners, the Disappeared and those Assassinated for Political Reasons (Co-Madres)
- Committee of Christian Mothers and Relatives of Prisoners, the Assassinated, and the Disappeared, Father Octavio Ortiz-Sister Silva (COMAFAC)

Following mid-1986 arrests and defections, present leadership unknown.

[redacted]

[redacted]